

by 61-1258

~~CONFIDENTIAL~~

6 OCT 1960

MEMORANDUM TO: Chief, Audit Staff

SUBJECT : Interpretation of Regulations

REFERENCE : Your Memorandum to Comptroller dated
1 August 1960, Subject, same as above.

1. Reference memorandum stated that the [REDACTED] Branch Office of the Audit Staff had posed several questions relative to activity in the FE area and requested advice as to this Office's interpretation of the regulations cited in such questions.

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2. The comments of this Office on the questions submitted by the [REDACTED] Branch Office of the Audit Staff are as follows:

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a. Paragraph 2 of reference states, [REDACTED] Chapter VI, Section 4 provides that a difference of \$100.00 or less within a family group may be written off with Chief of Station approval, however, no mention is made as to what procedure to follow for amounts in excess of \$100.00. Differences in excess of \$100.00 are very likely to occur when a station, utilizing the net change method, attempts its annual reconciliation." If, at stations utilizing the net change method of reconciliation, a difference in excess of \$100.00 within a family group still exists the Chief of Station should advise headquarters and request approval to adjust the difference. Such request should clearly indicate the steps taken in performing the reconciliation and the results and determinations occurring therefrom.

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b. Paragraph 3 of reference stated that [REDACTED] Chapter VI prescribes two methods of reconciling stock record cards to the FPA records and advised that the Audit Staff had found Method B of reconciling to be impractical. In view of the foregoing it was requested that this Office advise the Audit Staff as to the feasibility of revising [REDACTED] to delete Method B and amend Method A to require monthly reconciliation in total. After careful consideration it has been determined that since the greater majority of the stations utilize only Method A for reconciling purposes that [REDACTED] will be revised as suggested.

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DOC	2	REV DATE	20-5-81	BY	4199
DATE COMP	-	DATE	38	TYPE	01
DATE	100040002-5	PAGES	2	REV CLASS	e
JUST	22	NEXT REV	2011	AUTH:	HR 70-2

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c. Paragraph 4 of reference requests advice as to whether (1) equipment issued from stock as operational gifts must be covered by operational certificates, and (2) should non-expendable equipment purchased as operational gifts and charged to Sub-object Class 17.1 require operational certificates? The provisions of [REDACTED] paragraph 7b are equally applicable to materiel purchased as an operational gift as well as to materiel withdrawn from stock and issued for this purpose; therefore a certificate of expenditure is required in such instances if not otherwise provided for in an Administrative Plan. Please note that the sub-object class to be charged is 752 based on Revision No. 8 of [REDACTED]

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Deputy Comptroller

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TAS/[REDACTED]:vj (21 September 1960)

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